

**GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:3881
ANSWERED ON:13.12.2001
COMPLAINT REGARDING REFUND OF DEBENTURE
ANANTRAO GUDHE

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

- (a) Whether the Government have received complaints of default on refund of debenture proceeds and interest thereon by Loyds Finance, Usha Ispat and Paam Pharma;
- (b) If so, the details of total amount in default and the number of small investors affected;
- (c) the action taken against the management of these companies; and
- (d) the deterrent punishment proposed to be taken against the serious financial fraud committed by companies on public?

Answer

MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI ARUN JAITLEY)

(a) & (d) Sections 117B(4) and 117C(4) & (5) of the Companies Act, 1956 enable the debenture trustees and debenture holders to move Company Law Board in case there is a default on refund of debenture proceeds and interest thereon. So far, no application/petition has been received by the Company Law Board in respect of M/s Loyds Finance, M/s Usha Ispat and M/s Paam Pharma.